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C O N F I D E N T I A L SECTION 01 OF 03 BRASILIA 002317

SIPDIS

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TAGS: PREL PHUM FAIR MARR CH BR

SUBJECT: BRAZIL: CHINESE ACTIVITIES IN LATIN AMERICA AND THE CARIBBEAN

REF: A. STATE 138041

1B. BRASILIA 2295

Classified By: Political Officer Bisola Ojikutu for reasons 1.4  
(B) and  
(D).

11. (C) In response to reftel request, post provides the following information regarding Chinese activities in Brazil. Economic, trade, investment, and science and technology information will be provided septel. Ref B outlines recent developments on environmental cooperation between China and Brazil.

WHAT, IF ANY, ASSISTANCE IS CHINA PROVIDING TO HOST COUNTRY? WHAT IS THE BREAKDOWN BETWEEN GRANTS AND LOANS? DOES THE CHINESE GOVERNMENT TYPICALLY PROPOSE AID OR DOES THE HOST COUNTRY REQUEST IT? WHO PROPOSES SPECIFIC PROJECTS? DO THE CHINESE PUSH CERTAIN TYPES OF PROJECTS AND SHY AWAY FROM OTHERS EVEN IF THE HOST COUNTRY HAS REQUESTED THEM?

12. Post could not find substantive information on the amount of assistance that China is providing or has provided to Brazil.

WHAT IS THE FREQUENCY OF HIGH-LEVEL POLITICAL CONTACT BETWEEN HOST-COUNTRY OFFICIALS AND CHINESE OFFICIALS? IS THERE EVIDENCE OF POLITICAL DISCUSSION ON GLOBAL POLICY ISSUES OR CHINESE PRESSURE TO SUPPORT CHINA'S VIEW ON HOT BUTTON ISSUES?

13. (C) High level political contact between GOB and PRC officials has been moderate in recent years. Brazilian President Lula da Silva visited China May 22-27, 2004 to discuss trade, investment, defense, and other regional and international issues of common concern (Post will provide trade and investment discussions septel). The GOB and the PRC also agreed to create a China-Brazil Committee on High-level Coordination and Cooperation between the Chinese Vice Premier and the Brazilian Vice President.

14. (SBU) In China, President Lula's Workers' Party (PT) developed political ties with the Chinese Communist party. On April 23, 2004 in Beijing, former PT President Jose Genoino signed an agreement of collaboration between the Chinese Communist Party and the PT. According to press reports, Genoino affirmed that the GOB sought to construct a "diplomatic, political, and economic axis" among India, South Africa, Brazil, and China. Genoino praised China's integrated public administration and said it was important for the PT to study what has occurred in China over the last twenty years.

15. (SBU) President Hu visited Sao Paulo, Rio de Janeiro, and Brasilia, November 11-15, 2004. In Rio de Janeiro, Hu met with Rio State Governor Rosinha Garotinho and underscored the "friendly" cooperation between China and Brazil that has produced "satisfactory results." Hu hoped that the government of Rio de Janeiro State and Chinese local governments could enhance mutual understanding, jointly discuss new approaches and trade developments, and expand cooperation. Hu also mentioned that the recently signed Tourism Cooperation Agreement between Brazil and China could increase exchanges.

16. (U) During a speech to Brazilian legislators at Brazil's National Congress in Brasilia on November 12, 2004, Hu announced China's new Latin American policy, and hoped to begin "a new era of friendship" with Latin American and Caribbean countries. Hu proposed launching cultural centers in each other's countries, encouraging tourism, improving mass media and student exchanges, and organizing Sino-Latin American youth festivals.

17. (U) In Sao Paulo, Hu met with Sao Paulo State Governor Geraldo Alckmin and held in-depth talks on strengthening further friendly exchanges and economic and trade cooperation (to be reported septel).

18. (C) UN Reform: Chinese officials told the GOB that the PRC supports greater participation by developing countries in the international arena, including the UN. The GOB believed that this stance implied support for a Brazilian permanent UNSC seat, and was surprised when the PRC refused to support Brazil publicly earlier this year.

**¶9. (C) Human Rights:** According to the MRE, the GOB and the PRC have agreed to "not politicize" the human rights issue. During UN Commission on Human Rights (UNCHR) meetings in Geneva, Brazil is careful not to favor resolutions critical of China's human rights record (Note: In general, Brazil rarely supports single country resolutions in the UNCHR. End Note). In support of the GOB's position, Ministry of External Relations (MRE) officials claim they are not ignorant of China's human rights situation, and believe that human rights in China are "serious but improving."

**¶10. (C)** In 1997, Brazil voted against China on a human rights resolution in Geneva. This vote caused serious bilateral problems between the two countries, and led to the development of an annual Sino-Brazilian Human Rights Commission. Since the creation of the commission in 1997, the two sides have only met twice, but MRE officials claim that Brazil and China "theoretically" hold human rights discussions every year. During these "talks," Brazilian officials do not raise specific cases or press for specific systemic reforms. Instead, Brazil shares its human rights experiences with China.

**¶11. (C)** An MRE official opined in late 2004 that the Sino-Brazilian Human Rights Commission was all but dead and believed that Brazil could not influence China on human rights. Human Rights were not discussed during Hu's visit, but the GOB offered China expert assistance in penal, judicial, and other areas of reform. The PRC rebuffed all GOB efforts and ignored proposed exchange visits. In the interest of the "strategic partnership" and Brazil's UNSC bid, the MRE will likely not vote in favor of a China human rights resolution. Instead, Brazil will continue to abstain on any UN effort to criticize China's approach to human rights.

**¶12. (C) IBSA:** There is some speculation that China will join the India-Brazil-South Africa Dialogue Forum (IBSA), sometimes called the G-3, however; MRE officials have denied speculation claims. MRE officials believe that IBSA is in its infancy and must focus on concrete bi- and tri-lateral projects and unify the three countries before adding new partners.

-- WHAT IS THE EXTENT OF MILITARY CONTACT AND ASSISTANCE BETWEEN CHINA AND THE HOST COUNTRY?

**¶13. (C)** China recently sent a large multi-service delegation to the Latin America Air Defense show held in Rio de Janeiro in April 2005 and a senior member of the Chinese delegation participated in one of the show's defense panels. A delegation from the Chinese National Defense University visited Rio de Janeiro in late July 2005. Hu visited Brazil's National Institute for Space Exploration (INPE) in Sao Paulo on November 15, 2004. China and Brazil have been cooperating on the development of Earth observation satellites since 1998.

-- WE ALSO WELCOME ADDITIONAL INFORMATION ON CHINA'S ENGAGEMENT WITH HOST COUNTRY, CULTURAL TIES, EDUCATION EXCHANGE, ETC.

**¶14. (U)** Despite Brazil's multi-ethnic makeup, citizens of Chinese descent represent a tiny fraction of Brazil's population, compared, for example, to Brazilians of Japanese ancestry. Illegal immigration and extradition may yet become an issue between the two countries. The majority of the estimated 50,000 Chinese in Brazil, mostly residing in Sao Paulo, are believed to be in-country illegally.

**¶15. (C)** Our contacts report a lack of understanding among Brazilians, even among so-called experts of China. Within Brazilian academia, only a few Chinese Studies programs exist, most notably at the University of Sao Paulo and the University of Brasilia. Academic exchanges are very few, due in part to the strong desire among the youth in both countries to seek English-speaking programs, according to the MRE, although interest in exchanges could increase in the future.

**¶16. (SBU)** The Public Affairs Section plans to include questions related to China in future polling exercises.

-- HOW DOES BEIJING'S EFFORT TO CONSTRAIN TAIWAN'S INTERNATIONAL SPACE PLAY INTO CHINESE LOCAL ACTIVITIES AND ITS RELATIONSHIP WITH HOST GOVERNMENT?

**¶17. (C)** The GOB continues to support a one China policy and reaffirmed this position with the Chinese during the November 2005 visit. The PRC has kept subtle pressure on the GOB to not recognize Taiwan, and Brazil is not prepared to lobby another country on China's behalf. During Lula's May 2004 visit to China, Brazil reiterated its adherence to the one-China policy, and agreed that Taiwan and Tibet are "an inseparable part of China." Moreover, the GOB opposed any unilateral action aimed at separating Taiwan from China, increasing tensions across the Taiwan Straits, or leading to

Taiwan independence.

118. (U) In a speech before the Brazilian Congress in Brasilia, Hu reiterated China's stance on the Taiwan issue and hoped that Latin America would continue to "fully support the just cause of the Chinese people." National Congress President and Senate President Jose Sarney and Chamber of Deputies President Joao Paulo Cunha stated that the Brazilian Congress supports the Chinese Government's stance on Taiwan, and acknowledged that Taiwan is an inseparable part of Chinese territory.

-- DESCRIBE CHINESE MILITARY-TO-MILITARY CONTACTS AND EFFORTS TO SELL WEAPONS IN YOUR HOST COUNTRY.

119. (C) During his visit to China, Lula praised GOB/PRC cooperation on satellite programs. Post believes that the GOB will continue to explore opportunities to expand military to military cooperation. Military contacts indicate that while the military relationship is growing via familiarization visits and training exchanges, military sales between the two countries are unlikely. Hence, it appears that defense is not a driving force in the relationship. Remote sensing application cooperation will expand existing achievements and provide third parties with services related to satellite programs.

120. (C) GOB/PRC satellite cooperation has been described as "very successful" by the MRE. Brazil and China are in a joint satellite venture known as China Brazil Earth Resource Satellite Program (CBERS). CBERS I and II have been launched from a Chinese facility on Long March Rockets. Brazil will finance 30 percent of CBERS IIB, an interim measure between CBERS II and III, and the PRC will finance the remaining 70 percent. During Hu's visit, the two governments signed an agreement to market the CBERS-II satellite images to third countries. The third satellite, CBERS-III has an anticipated launch date of 2008 and an expected budget of US \$85 million. CBERS-III will be financed in equal parts by Brazil and China. There are plans to launch as many as five CBERS satellites. CBERS-series satellites can capture images from Mongolia to Argentina.

121. (C) Hu visited Embraer, the Brazilian aircraft manufacturer, on November 15 in Sao Paulo. In 2002, the company cooperated with the Chinese Hahang Group to establish Harbin Embraer Aircraft Industry Co., LTD. Embraer recently posted 185 Brazilian employees to China to create the aircraft manufacturing plant in Harbin. This plant will produce regional jets specifically for the Chinese market and not for any other export market.

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